

§§ 256.8–256.12

(i) For Department of Defense regulations on military activities on offshore areas, see 32 CFR part 252.

§§ 256.8–256.12 [Reserved]

Subpart B—Oil and Gas Leasing Program [Reserved]

Subpart C—Reports From Federal Agencies [Reserved]

Subpart D—Call for Information and Nominations [Reserved]

Subpart E—Area and Identification and Tract Size [Reserved]

Subpart F—Lease Sales [Reserved]

Subpart H—Rentals and Royalties [Reserved]

Subpart I—Bonding [Reserved]

Subpart J—Assignments, Transfers, and Extensions

§§ 256.62–256.68 [Reserved]

§ 256.70 Extension of lease by drilling or well reworking operations.

The term of a lease shall be extended beyond the primary term so long as drilling or well reworking operations are approved by the Secretary according to the conditions set forth in 30 CFR 250.180.

§ 256.71 Directional drilling.

In accordance with a BOEM-approved exploration plan or development and production plan, a lease may be maintained in force by directional wells drilled under the leased area from surface locations on adjacent or adjoining land not covered by the lease. In such circumstances, drilling shall be considered to have commenced on the leased area when drilling is commenced on the adjacent or adjoining land for the purpose of directional drilling under the leased area through any directional well surfaced on adjacent or adjoining land. Production, drilling or reworking of any such directional well shall be

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considered production or drilling or reworking operations on the leased area for all purposes of the lease.

§ 256.72 Compensatory payments as production.

If an oil and gas lessee makes compensatory payments and if the lease is not being maintained in force by other production of oil or gas in paying quantities or by other approved drilling or reworking operations, such payments shall be considered as the equivalent of production in paying quantities for all purposes of the lease.

§ 256.73 Effect of suspensions on lease term.

(a) A suspension may extend the term of a lease (see 30 CFR 250.171) with the extension being the length of time the suspension is in effect except as provided in paragraph (b) of this section.

(b) A Directed Suspension does not extend the lease term when the Regional Supervisor directs a suspension because of:

(1) Gross negligence; or

(2) A willful violation of a provision of the lease or governing regulations.

(c) BSEE may issue suspensions for a period of up to 5 years per suspension. The Regional Supervisor will set the length of the suspension based on the conditions of the individual case involved. BSEE may grant consecutive suspensions. For more information on suspension of operations or production refer to the section under the heading “Suspensions” in 30 CFR part 250, subpart A.

Subpart K—Termination of Leases

§ 256.76 [Reserved]

§ 256.77 Cancellation of leases.

(a) Any nonproducing lease issued under the act may be cancelled by the authorized officer whenever the lessee fails to comply with any provision of the act or lease or applicable regulations, if such failure to comply continues for 30 days after mailing of notice by registered or certified letter to the lease owner at the owner’s record